

**State College Borough Council
Work Session
December 17, 2004**

The State College Borough Council met in a work session on Friday, December 17, 2004, in the State College Municipal Building's Council Chambers, 243 South Allen Street, State College, PA. Mr. Daubert called the meeting to order at 12:08 p.m.

Present: Bill Welch, Mayor
Thomas E. Daubert, President of Council
Catherine G. Dauler
Elizabeth A. Goreham
Craig R. Humphrey
Jeffrey R. Kern
Janet K. Knauer
James H. Meyer

Also present: Thomas J. Fountaine, II, Borough Manager; Ronald A. Davis, Assistant Borough Manager; Michele Nicolas, Director of Human Resources; Thomas R. King, Chief of Police; Mark Whitfield, Public Works Director; Mike Groff, Finance Director; Linda S. Welker, Tax Administrator; Norma J. Crater, Finance Supervisor; Timothy Grattan, Director of Information Systems; Mark S. Henry, Health Officer; Cynthia S. Hanscom, Recording Secretary; members of the media; and other interested observers.

PUBLIC HOUR: There were no comments made by members of the public.

2005 Operating Budget. Council continued their review of the 2005 operating budgets. Mr. Fountaine distributed a summary of what Council had discussed thus far and numbers that would allow some future flexibility with the Business Privilege Tax.

Mr. Daubert noted the increase in the real estate tax millage, from 1.0 to 1.6 mills. He asked what that would mean to taxpayers. Mr. Fountaine said property owners would pay about \$120.00 additional per year. If Council adopts the Homestead exemption in 2006, the average savings for taxpayers would be about \$200.00 per year. Therefore, taxpayers would be paying less in 2006 than they did in 2004. When asked about the Homestead Act, Mr. Kern explained that, according to the numbers, 200 property owners would be paying an additional tax while 2,200 property owners would be paying less. Properties with an assessed value over \$120,000.00 (according to the 1994 assessment) would not be eligible for the exemption.

Council discussed the proposed increase in street meters from \$.75/hour to \$1.00/hour. Mr. Fountaine explained that, based on on-going discussions with downtown businessmen, increased hourly rates were preferable to increased fines. Teresa Sparacino, Downtown Improvement District Director, indicated the biggest complaint received by business owners is from visitors who get parking tickets. This would also give employees an incentive to use the garages or parking lots rather than on-street meters. Ms. Knauer acknowledged that it was aggravating to get a parking ticket, but she felt the amount was not the issue. Pat Daugherty, owner of The Tavern at 220 E. College Avenue, disagreed, commenting the amount of the ticket made a big difference. In most cases, he said, someone who fed the meter for two or three hours will receive a ticket for being just a few minutes late. Ms. Knauer asked if extending the maximum amount of time allowed to feed the meter would help. Ms. Sparacino recommended against extending meter times because it would encourage long-term parking in prime spaces.

Council discussed increasing the fine for multiple violations. Mr. Fountaine indicated that a system is already in place for a second ticket to be issued at a higher amount for the same violation.

Mr. Fountaine informed Council that staff has been investigating the use of countdown meters that go negative so customers know how much time elapsed since their meter expired. He would like to set these in one area of the downtown as an experiment.

Ms. Goreham was concerned with the impact of the earned income tax and on wage earners who live in the Borough. Real estate taxes will increase by \$120.00 per year and further increases in the earned income tax would impact Borough residents. Mr. Daubert indicated

one goal of Council is to shift taxes away from earned income and put more weight on property owners. By increasing real estate taxes and maintaining the current rate for earned income some of the tax burden will be transferred.

Because of additional funds from the Emergency and Municipal Services tax, Council discussed lowering the existing earned income tax; however, no consensus was reached on this suggestion.

Ms. Knauer suggested the 63rd police officer be put back into the budget. Because of the need to have more officers on the streets, she felt the additional \$55,000.00 should be included. Mr. Kern agreed that more officers dedicated to patrolling the downtown would be useful. Mr. Meyer asked about township contract hours. Mr. King replied the number of hours covered in the townships in 2005 would be down by 2 hours.

Council asked about the downtown foot patrol program. Ms. Sparacino said that having student auxiliary officers on the streets have improved things but, in many cases, the additional officers actually make more work for sworn officers. The auxiliary officers are seeing potential crimes and calling them in more frequently. Mr. King agreed the auxiliary police were improving the situation downtown but it did result in more "eyes" of prevention.

Mr. Daubert noted there seemed to be a consensus among Council to add the 63rd officer. Because the prospective officer would be attending the academy for a portion of the year, the total cost would be less than \$55,000.00. He asked Chief King to provide an actual 2005 amount for the increase in personnel and suggested money earmarked for the library be used and refunded in future years. Mr. Fontaine warned Council that this would increase expenditures; this was one of the trends that caused a drawdown on reserves in the past.

Council discussed the option of rescinding the Business Privilege Tax (BPT). Some members disagreed with this option. Mr. Welch reminded Council that the BPT Study Committee agreed the BPT should be phased out if the opportunity arose for an alternate form of revenue, which the EMS tax has accomplished. Mr. Daubert believed that some members on that committee opposed the recommendation to phase out the BPT. He suggested another committee (none of whom served on the previous committee) revisit the issue and report back to Council in March.

Council discussed changes in the parking fines and increases in monthly rental rates. Mr. Kern believed enforcement should be considered for on-street meters after 6:00 p.m. In exchange, the increase in monthly rentals could be eliminated. His concern was that the \$10.00 monthly increase in rental rates would discourage businesses from locating in the downtown. Mr. Meyer noted that one of reasons for free parking in the evening is because of the need for patrons eating at a restaurant or going to a movie to park longer than two hours. Mr. Daubert added that the street meter changes should not change until January 15.

Council reviewed the other changes in the budget and asked for a revised sheet at their next meeting.

ITEMS OF INFORMATION

Mr. Fontaine distributed Council's meeting schedule for 2005. He indicated it would be placed on the December 20 meeting agenda for approval.

Mr. Fontaine also announced there would be an informal meeting on December 21 with University and downtown officials to discuss ways the University can support the downtown through in-kind services, such as the student auxiliary program. He explained this was the beginning of a discussion process to improve things that are being done now.

There being no further business, the meeting adjourned at 1:52 p.m.

Respectfully submitted by:

Thomas J. Fontaine, II
Borough Secretary